

Panasonic

ideas for life

Batteries & Torches

38th
Annual Report
2009 - 2010

Panasonic Energy India Co. Ltd.

The *Only* Panasonic Battery Company in India

Panasonic Energy India Co. Ltd.

BOARD OF DIRECTORS

Chairman

Mr. A. K. Lakhanpal

Managing Director

Mr. S. K. Khurana

Directors

Mr. E. B. Desai

Mr. P. P. Shah

Mr. D. J. Thakkar

Mr. G. N. Punj

Mr. H. Sugimura

Mr. H. Aota (W.e.f. 27-May-2009)

Mr. M. Kurokawa (Upto 27-May-2009)

Company Secretary

Ms. Nisha Hindocha

AUDITORS

M/s. K. C. Mehta & Co.

Chartered Accountants, Vadodara

SOLICITORS

Mulla & Mulla and Craigie Blunt & Caroe

BANKERS

State Bank of India

The Bank of Tokyo-Mitshubishi UFJ Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

308, 1st Floor, Jaldhara Complex,

Opp. Manisha Society,

Old Padra Road,

Vadodara - 390 015.

REGISTERED OFFICE

GIDC, Makarpura,

Vadodara - 390 010, Gujarat - INDIA.

WORKS

1. GIDC, Makarpura,

Vadodara - 390 010, Gujarat - INDIA.

2. Plot No. 112, Sector III,

Pithampur Industrial Area,

Dist. Dhar, Madhya Pradesh - INDIA.



Annual Report 2009-2010

38th Annual General Meeting of the Company is scheduled to be held on **Friday, 23rd July, 2010 at 11:00 a.m. at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara 390 005.**

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

Corporate Information	1
Notice to Members	2
Directors' Report	4
Report on Corporate Governance	9
Certificate	19
Auditors' Report	20
Balance Sheet	24
Profit & Loss Account	25
Cash Flow Statement	26
Schedules to Balance Sheet	27
Schedules to Profit and Loss Account	30
Significant Accounting Policies	32
Notes on Accounts	35
Balance Sheet Abstract & Company's General Profile	42

The Only manufacturer of 100% eco-friendly batteries in India

Panasonic Energy India Co. Ltd.

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING of the members of Panasonic Energy India Co. Ltd. will be held at C. C. Mehta Auditorium, M. S. University, Sayajigunj, Vadodara - 390 005 on Friday, 23rd July, 2010, at 11:00 a.m. to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2010, and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend on equity Shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. H. Aota, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. H. Sugimura, who retires from office by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to all approvals, if any necessary, consent of the Company be and is hereby accorded to the payment in addition to the sitting fees and reimbursement of expenses in accordance with the relevant provisions of the Articles of Association of the Company and the statutory regulations for the time being in force, to the non-executive Directors of the Company, of a commission at a rate not exceeding one percent of the net profits of the Company, in each year, calculated in accordance with the relevant provisions of the said Act, subject however to such ceiling, if any, per annum as the Board may from time to time fix in that behalf and the same be divided amongst them in such manner as they may from time to time determine and in default of such determination, in equal proportion.

FURTHER RESOLVED THAT this resolution shall be effective for a period of 5 years from 1st April, 2010 to 31st March, 2015."

**By Order of the Board
For Panasonic Energy India Co. Ltd.**

**Nisha Hindocha
Company Secretary**

Mumbai, May 19, 2010

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy in order to be effective should be lodged with the Company at its Registered Office atleast 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 10th July, 2010 to Friday, 23rd July, 2010 (both days inclusive) for the purpose of determining payment of dividend.
3. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item No.6 of the accompanying Notice is annexed hereto.
4. Dividend on Equity Shares as recommended by the Directors, if declared at this Annual General Meeting, will be paid on or before 22nd August, 2010 to those members whose names appear on the Company's Register of Members at the close of business on 23rd July, 2010.
5. Dividend payment
 - a) Members holding shares in electronic mode may please note that that the dividend payable to them would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In absence of availability of ECS facility, the dividend will be paid through warrants and the Bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations.

- b) In respect of shares held in physical form, members desirous of receiving dividends by way of direct credit to their bank accounts through ECS may authorize the Company with their ECS mandate. The shareholders desirous of obtaining the ECS mandate may download it from the website of the Company at www.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.
6. a) All unclaimed dividends upto the financial year ended on 31st March, 1995 (paid in the year 1995) have been deposited with the General Revenue Account of the Central Government and shareholders may claim the same from the Registrar of Companies, Gujarat.
- b) Unclaimed dividends for the years 1995-96 to 2001-2002 have been transferred to the Investor Education and Protection Fund pursuant to sections 205A and 205C of the Act. And that of 2002-2003 will be transferred by end of July, 2010.
- c) Shareholders who have not en-cashed their dividend warrants for the year 2002-2003 are requested to claim the amount immediately from the Company before the end of July, 2010 and for the years from 2003-2004 to 2008-09, are requested to claim the same at the earliest.
7. Pursuant to SEBI circular, the shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/ transmission of name/ transposition of name.
8. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to Link Intime India Pvt. Ltd., Vadodara (Company's Registrar & Share Transfer Agent) or to the Company Secretary at the Registered Office of the Company.
9. Members are requested to notify immediately:
- (a) any change in their residential address;
- (b) Income-Tax Permanent Account Number (PAN); or
- (c) Bank details - Name and address of the Bank; A/c No.; type of A/c.
10. Members holding shares in more than one folio in the same order of name(s) are requested to send the details of their folios alongwith the share certificates so as to enable the Company to consolidate their holdings into one folio.
11. Members are requested to bring their copies of the Annual Reports along with duly filled attendance slip to the meeting.
12. Members seeking any information or clarification with regard to the accounts, are requested to write to the Company at least TEN DAYS in advance of the meeting so that the information required can be made readily available at the Meeting.
13. As required by the Listing Agreement with the Stock Exchanges, the relevant details in respect of the Director's proposed to be re-appointed are set out in the Corporate Governance Report forming part of the Directors Report.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6

The Company had passed a resolution at its 33rd Annual General Meeting held on 18th July, 2005, authorizing the payment of commission, in addition to the sitting fees and reimbursement of expenses, to the non-executive Directors, in conformity with the prevailing corporate trend and the applicable provisions of law. The above resolution was effective upto 31st March, 2010. It is now proposed to seek fresh approval in accordance with law from the members in this behalf for a further period of five years i.e. from 1st April, 2010 to 31st March, 2015. Since the non-executive Directors also devote considerable time and attention to the business matters of the Company by their professional expertise and mature advice, as a result of which the Company benefits considerably, it is only fair and just that they be suitably remunerated by way of payment of commission not exceeding one percent per annum of the net profits of the Company computed in accordance with the applicable provisions of the Companies Act, 1956. This yearly remuneration will be distributed amongst the Directors in accordance with the directions given by the Board from time to time. The resolution is accordingly commended for your approval.

All the non-executive Directors are interested in this resolution.

By Order of the Board
For Panasonic Energy India Co. Ltd.

Nisha Hindocha
Company Secretary

Mumbai, May 19, 2010

Panasonic Energy India Co. Ltd.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED ON 31ST MARCH, 2010

TO,
THE MEMBERS OF PANASONIC ENERGY INDIA CO. LTD.

The Directors have pleasure in presenting their 38th Annual Report together with the Audited Annual Accounts of the Company for the year ended 31st March 2010.

1. FINANCIAL RESULTS

Particulars	(Rs. In lacs)	
	As at 31-March-10	As at 31-March-09
Sales Turnover	18645	17704
Profit/(Loss) before Tax	623	(1065)
Less: Provision for Taxation (Net of Deferred Tax)	(96)	(99)
Less: Provision for taxation of earlier years (Net of refund/demand)	(1)	0
Profit/(Loss) after Tax	720	(966)
Add: Profit brought forward from previous year	1	12
Add: Amount drawn from General Reserve No. 2	-	1043
Net available surplus for appropriation	721	89
APPROPRIATIONS		
Proposed Dividend	150	75
Dividend Distribution Tax	25	13
General Reserve No.1 (Statutory)	54	-
General Reserve No. 2	392	-
Surplus carried to Balance Sheet	100	1
	721	89

2. OPERATIONAL REVIEW

During the year under review your Company has made a turnaround in its performance. The PBT of the Company stood at Rs. 623 lacs as compared to the previous year losses of Rs. 1065 lacs. The Company's turnover for the year stood at Rs. 18645 lacs, which has increased by 5% as compared to the previous year. The sales quantity has increased by 12% as compared to previous year. The major factors that contributed to the profits of the Company are increased turnover, reduced excise duty, several cost reduction measures such as value engineering, etc.

During the year the Company has taken several steps towards Brand Building. A District Development Plan has been introduced by the Company. Under this plan the Company has tried to create more awareness of the Company's brand "Panasonic". These activities have contributed in improving the Company's presence in rural areas.

The Company continues to focus on DISHA (Display in Shop Activity) a Panasonic way of selling its products and this has in turn resulted in establishing long term relationship with its stockiest and retailers.

With these various activities during the year your Company has been able to maintain its market share in a very competitive market and is confident of improving its market share in the coming years.

During the year manufacturing operations of the Company were focused on quality management and cost control. Also various activities have been initiated to recycle hazardous waste generated from the factory. Efforts were also made to reduce impact on the environment by reducing the Co₂ emission, optimum energy utilization, etc. As a result of these efforts your Company got recognition "Clean Factory Award" for the 3rd consecutive year from its foreign collaborator.

The Company has recently launched a new improvised product range in the R20 segment, which are eco friendly. We are proud to state that your Company is the only battery manufacturer in India with full range of eco-friendly products. The Company is committed to follow the ideology of its collaborators (Panasonic Corporation, Japan) i.e. manufacturing environmental friendly products and thereby contributing our bit to the environment and return to the society at large. The Company also took various other initiatives for protecting the environment viz. plantation of trees, creating awareness among the school children for protecting the environment, re-use of domestic effluent water for gardening activities, etc.

We are happy to state that in financial year 2010-11 your company will be going in for brand unification i.e. all the batteries manufactured by your Company would be sold under the "Panasonic" brand.

3. DIVIDEND

In view of the improved operational profits of the Company, the Directors are happy to recommend dividend at Rs. 2 per equity share (previous year Re.1 per equity share) on 75,00,000 Equity Shares for the year ended 31st March, 2010. The dividend, when approved, will entail payment to shareholders of Rs. 150 lacs. It will be tax free income in the hands of recipients and the Company will have to pay dividend distribution tax thereon in the sum of Rs. 25 lacs.

4. MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview

Zinc carbon batteries

This year the dry cell industry showed a positive trend and it has increased by 4% as compared to the previous year. However the demand drivers continue to be same as last year.

In order to sustain in a highly competitive battery industry there are two areas on which the Company would have to continuously focus on (a) improved outlet penetration; and (b) brand building activities. During the year your Company has carried out various brand building activities in order to create its awareness in the potential battery market. Secondly, efforts were also made to improve its outlet penetration and are still continuing. The fruits of these efforts would accrue to the Company over a period of time.

Alkaline Batteries

During financial year 2008-09 your Company had launched Alkaline and Lithium range of products. This segment is still in its formative stage in India and the Company intends to improve its sales in this area. In financial year 2010-11 your Company has plans to launch new products in this segment; target consumers for these new products would be people in the high end income group.

Flashlights

In diversifying the Company's products, the Company has during the year launched new LED torch models. The Company intends to focus in this area of business as this is a growing segment and has immense potential.

B. Industry Structure and Development

During the year the Industry showed positive signs and has grown by 4% as compared to previous year. R20 (UM1) market is continuously diminishing due to change in usage pattern; It has declined by around 10% over previous year. R6 (UM3) has shown a positive trend and has registered a growth of around 8% over previous year. The R03 (UM4) is an area which registered the highest growth among all other types of batteries; It grew at 38% as compared to the previous year. This growth in R6 & R03 segment can be mainly attributed to changed usage pattern.

Indian market continues to be potential market as it is perhaps one with lowest per person consumption of batteries in the world.

C. Opportunities and Threats

Opportunities

The low per capita consumption of batteries in India indicates inherent potential of the battery market to grow. The changed usage pattern of the gadgets also provides potential for R6, R03 and Alkaline products.

Threats

There is import of huge quantity of low performance cheap Chinese AAA batteries which poses a big threat to the organized sector of the Industry.

D. Risks & concerns

The possibility of increase in input costs is a matter of concern as this would directly impact the profit margins of your Company.

For the coming years the usage pattern of appliances is a crucial aspect for the growth of the dry battery industry. Changing consumer behavior towards dry battery operated appliances will be a determining factor.

E. Outlook

Penetration of more battery operated appliances should improve the dry battery consumption. The concept of compactness with potable energy need, should help more battery appliances to emerge.

F. Internal Control System

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things a reasonable assurance that the transactions are executed with management authorizations and they are recorded in material respects to permit preparation of the financial statements in conformity with established accounting principles and that the assets of the Company are adequately safe-guarded against any significant misuse or loss. The Internal audit is done by an independent firm of Chartered Accountants. Internal audit and other controls are reviewed periodically by the Audit Committee and have been found to be adequate.

G. Developments in human resources and industrial relations

Directors wish to place on record their appreciation of all employees for their sustained efforts and valuable contribution. Relations with the employees at both the factories and offices continued to be cordial during the year. The total employee strength of the Company stood at 806 as on 31st March, 2010.

Information required pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. Any shareholder interested in seeking this information may write to the Company Secretary of the Company at the Registered Office of the Company.

H. Research & Development

Keeping in view the concept proposed by Panasonic Corporation, Japan to carry out environment friendly operations viz. to manufacture eco friendly products and to use environment friendly raw materials and components in its operations. Your Company was committed to ensure that its operations are eco friendly. Hence it carried out various R & D activities to make its operations environment friendly. We are happy to inform you that through these efforts your Company is the only battery manufacturer in India to manufacture full range of eco friendly products in India.

As a part of continuous improvement process various activities to improve product quality were initiated, like, formation and implementation of quality circle activities, Kaizen, best 5S practices etc. This has inturn helped in improving product quality.

I. Exports

Continuous efforts are being made to boost exports, particularly in the areas of machinery spare parts and battery components. During the current financial year the Company has earned foreign exchange to the tune of Rs. 105 lacs (previous year Rs. 127 lacs). Pricing continues to be the key factor. The Company intends to further improve its exports.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state that:

- a. in the preparation of the annual accounts, all applicable accounting standards have been followed;
- b. accounting policies as listed out in Schedule 19 to the Financial Statements have been selected and applied consistently and are reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2010 and of the profit of the Company for the year ended on that day;
- c. proper and sufficient care for maintenance of adequate accounting records has been taken in accordance with the provisions of the Act, so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis.

6. CORPORATE GOVERNANCE

Your Company recognizes the importance and need of good corporate governance as an important step in creating shareholders confidence and thereby enhancing the long term enterprise value.

Pursuant to clause 49 of the listing agreement with stock exchange the Corporate Governance Report along with Auditors certificate regarding compliance of the conditions of corporate governance are given as part of this Annual Report.

7. DEPOSITS

During the year under review the Company has not accepted/renewed deposits from public/shareholders. 4 (four) deposits amounting to Rs. 50,000/- matured but not claimed by the depositor and remained unclaimed over a period of seven years, have been transferred to Investor Education & Protection Fund (IEPF) of Central Government during the year. 1 (one) deposit aggregating to Rs. 10,000/- is still unclaimed by a depositor as on 31st March 2010.

8. STATEMENT PURSUANT TO LISTING AGREEMENT

Equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE) The Company has already paid annual listing fee for the year 2010-11 to the stock exchange.

9. DIRECTORS

Mr. H. Aota and Mr. H. Sugimura retire by rotation and, being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

10. AUDITORS

M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara retire, and being eligible, offer themselves for re-appointment.

11. ACKNOWLEDGEMENTS

Your Directors wish to put on record their appreciation to Panasonic Corporation, Japan for their valuable support and co-operation. We also wish to thank the State and Central Govt. authorities, suppliers and bankers for their continuous co-operation. We also value the support that we received from our stockiest, wholesale dealers, retailers and consumers.

The Directors also wish to place on record their sincere thanks to the Shareholders for the confidence reposed by them in the Company.

For and on behalf of the Board

Ajai K. Lakhanpal
Chairman

Mumbai, May 19, 2010

Annexure I to the Directors' Report

PARTICULARS AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH 2009.

FORM A

(A) CONSERVATION OF ENERGY

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

FORM B

(A) DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D).

1	Specific areas in which R&D carried out by the Company	<ol style="list-style-type: none"> 1. Development of Hg free paste type batteries (R20 & R14) 2. Introduction of new economy range in R03 category 3. Introduction of new LED torch models. 4. Removal of hazardous content from the raw material and components used in dry battery.
2	Benefit derived as a result of above R&D	<ol style="list-style-type: none"> 1. Environment friendly products. 2. Customer satisfaction. 3. Cost effective products.
3	Future plan of action	<ol style="list-style-type: none"> 1. Introduce new LED torch / Lantern models. 2. Further improve customer satisfaction. 3. To reduce the effect of global warming by reducing Co₂ emission.
4	Expenditure on R&D:	(Rs. In lacs)
	(i) Capital	0.16
	(ii) Recurring	1.75
	(iii) Total	<u>1.91</u>
	(iv) Total R&D expenditure as a Percentage of total turnover	<u>0.01%</u>

Panasonic Energy India Co. Ltd.

(B) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1. Effort in brief made towards technology absorption, adaptation and innovation.	<ol style="list-style-type: none"> 1. Introduction of New LED torch 2. Development of Hg free paste type dry batteries (R20 & R14). 3. Efforts for energy conservation.
2. Benefit derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution, etc	<ol style="list-style-type: none"> 1. Aligning towards global trend of introducing new environment friendly products in line with RoHS guidelines into the Indian market. 2. New technology with emphasis on cost reduction by developing new range of products, packaging and spares part. 3. Better cost effective dry battery.
3. Imported technology (imported during the last 5 years reckoned from the beginning of the financial year)	<ol style="list-style-type: none"> a) Technology imported <ol style="list-style-type: none"> 1. UM-4U (AAA) (Extra heavy duty dry battery). 2. UM-1UJ (High performance metallic leak proof dry battery) b) Year of import <ol style="list-style-type: none"> 1. 2005 2. 2007 c) Has technology been fully absorbed? Continuing

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export initiatives taken to increase exports; development of new export markets for products and services; and export plan	During the year company earned foreign exchange through export of machinery spare parts and components.
2. Total Foreign Exchange :	(Rs. In lacs)
Used	2645
Earned	110

For and on behalf of the Board

Ajai K. Lakhanpal
Chairman

Mumbai, May 19, 2010

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and lenders, and places due emphasis on regulatory compliance.

The Company believes that its systems and actions should be devoted for enhancing corporate performance and maximizing shareholder value in the long term.

2. BOARD OF DIRECTORS

a) Composition of Board of Directors

The Company has a very balanced structure of Board of Directors. At the end of the financial year under review the Board consisted of 8 Directors, 4 Independent Directors, 4 Non - Independent Directors (Executive Chairman, a Managing Director and 2 promoters Director (non-executive)).

All the Directors of the Company are appointed or re-appointed with the approval of Board and shareholders as and when necessary. All Directors are subject to retirement by rotation unless otherwise specifically approved by the shareholders.

The Independent Directors on the Board are experienced, competent and highly renowned persons from their respective field. The Independent Directors take active part in the Board and Committee Meetings which add value in the decision making process of the Board of Directors.

b) Meetings, Attendance, Agenda for the Meetings and details of other Directorships, etc.

The Board generally meets 4 times during the year, with a maximum time gap of 4 months between any two meetings. During the financial year ended on 31st March, 2010 the Board of Directors had 4 Meetings. These were held on 27th May, 2009, 23rd July, 2009, 29th October, 2009 and 22nd January, 2010. The last AGM was held on 23rd July, 2009.

The Notice convening Board Meetings are being sent to each of the Directors along with relevant papers, 7 to 10 days in advance of the meeting date, to enable the Board to discharge its responsibilities effectively. All significant development and material event are brought to the notice of the Board. The Managing Director briefs the Board on the financial performance of the Company during previous quarter and trend analysis as compared to the plans and market scenario. The Board also reviews periodically the legal compliance reports prepared by the Company and the steps taken by the Company to rectify instance of non - compliances, if any.

None of the Directors of the Company are Directors in more than 15 public companies and member of more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which they are Directors.

The attendance record of the Directors at the Board Meetings during the financial year ended on 31st March, 2010 and at the last AGM along with the details of other Directorships (excluding private limited companies, foreign companies and section 25 companies) and the Chairmanships and the Committee memberships (only Audit Committee and Investors' Grievance Committee included) are given below.

Name of the Director	Category of Director	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships held in public companies	Committees	
					Chairman	Member
Mr. A. K. Lakhanpal	Non-Independent	4	Yes	1	-	1
Mr. S. K. Khurana*	Non-Independent	4	Yes	2	-	1
Mr. E. B. Desai	Independent	4	Yes	9	4	8
Mr. D. J. Thakkar	Independent	4	Yes	14	5	10
Mr. P. P. Shah	Independent	4	Yes	14	3	8

Contd.....

Panasonic Energy India Co. Ltd.

Name of the Director	Category of Director	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships held in public companies	Committees	
					Chairman	Member
Mr. G. N. Punj	Independent	1	No	6	-	-
Mr. H. Aota*#	Non-Independent	-	No	3	-	-
Mr. H. Sugimura*	Non-Independent	-	No	3	-	-
Mr. M. Kurokawa*\$	Non-Independent	-	No	2	-	-

* Nominees of Panasonic Corporation, Japan; \$ Resigned w.e.f 27.05.2009; # Appointed w.e.f 27.05.2009

3. COMMITTEES OF THE BOARD

a) Audit Committee

Brief Description of terms of reference

The terms of reference of the Audit Committee are as per the guidelines set out in the clause 49 of the listing agreement with BSE read with section 292A of the Companies Act, 1956. These broadly includes the following:

- reviewing of the Company's quarterly and annual financial statements before submission to the Board for approval;
- reviewing the accounting and financial policies and practices;
- reviewing the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company and ensure compliance with regulatory guidelines;
- reviewing reports furnished by the internal and statutory auditors and to ensure suitable action is taken;
- recommending appointment/removal of auditors and fix/approve fees and other payments; and
- significant related party transactions.

Composition of Committee and its meetings

As per the clause 49 requirements of Listing Agreement, Audit Committee was formed in the Board Meeting held on 23rd January, 2001. It comprises of 3 Independent Directors. The attendance of each of Committee member was as under:

Sr. No.	Name of member	Status	No. of meetings held	No. of meetings attended
1	Mr. E. B. Desai	Chairman	4	4
2	Mr. D. J. Thakkar	Member	4	4
3	Mr. P. P. Shah	Member	4	4

The Audit Committee meetings are also attended by Chairman of the Company, Managing Director, representatives of the Statutory & Internal Auditors as Invitees. Head of the Finance of the Company also attends the Audit Committee meetings.

The Company Secretary acts as Secretary of the Audit Committee.

Mr. E. B. Desai, Chairman of the Audit Committee was present at the 37th Annual General Meeting of the Company held on 23rd July, 2009.

The minutes of the meetings of Audit Committee are circulated to the members of the Committee and are also placed before the Board.

b) Remuneration Committee

Brief description of terms of reference

To determine Company's policy on specific remuneration packages for Executive Directors including pension rights and compensation payments, considering financial position of the Company, trends in the industry,

appointee's qualification, experience, past performance, past remuneration etc., keeping in mind the interest of Company and shareholders.

Composition of Committee and its meetings

As per clause 49 of the Listing Agreement, constitution of Remuneration Committee is non-mandatory requirement. However the Company formed Remuneration Committee on 23rd January, 2004 and comprises of 3 Independent Directors. The Details of its composition are given below:

Sr. No.	Name of member	Status
1	Mr. P. P. Shah	Chairman
2	Mr. E. B. Desai	Member
3	Mr. D. J. Thakkar	Member

The Company Secretary acts as Secretary of the Remuneration Committee.

The minutes of the meetings, if any, of Remuneration Committee are circulated to the members of the Committee and are also placed before the Board.

Remuneration to Directors and shareholding of Non-Executive Directors

(i) Pecuniary Relationships

None of the non-executive Directors of your Company have any pecuniary relationships or material transactions with the Company except for sitting fees paid to them for attending Board Meetings or Committee Meetings thereof, Commission on net profits, if any.

Mr. E. B. Desai, a Non-Executive Director of the Company, as he is the partner of M/s. Mulla & Mulla & Craigie Blunt & Caroe, the legal firm which provides legal services to the Company, on case to case basis, in respect of which, the aggregate amounts involved in such transactions during the year were not material compared to the total income of the firm.

In compliance with the requirements of Accounting Standard 18 (AS 18) issued by ICAI, transactions with related parties have been furnished under Note No. 16 of Schedule 19 of the Notes to the Accounts of the financial statements.

(ii) Remuneration to Executive Directors

The remuneration of Executive Directors comprises salary, perquisites, contribution to provident & superannuation funds and gratuity.

Sr. No.	Name & Designation	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)	Contribution to PF & other funds [Exempted Perks] (Rs.)
1	Mr. A. K. Lakhanpal Chairman	27,30,000	12,22,800	39,52,800	3,64,500
2	Mr. S. K. Khurana Managing Director	18,30,000	12,45,647	30,75,647	3,64,500

Note:

- No commission was paid to the Executive Directors during the year under review.
- The aforesaid figures exclude the accruals for gratuity as it is funded on the basis of an actuarial valuation of the Company as a whole.

(iii) Remuneration to Non - Executive Directors and the number of shares held by them

The Non-Executive Directors were paid sitting fees of Rs. 10,000 for attending each of the Board and its Committees meeting. The Chairman and Managing Director being Executive Directors of the Company are not paid any sitting fees.

Sr. No.	Name	Category of Director	Sitting Fess (Rs.)	Commission (Rs.)	Total (Rs.)	No. of shares (Nos.)
1	Mr. E. B. Desai	Independent	80,000	–	80,000	18,455
2	Mr. D. J. Thakkar	Independent	90,000	–	90,000	–
3	Mr. P. P. Shah	Independent	80,000	–	80,000	5,000
4	Mr. G. N. Punj	Independent	10,000	–	10,000	264
5	Mr. H. Aota (appointed w.e.f. 27-May-09)	Non-Independent	–	–	–	–
6	Mr. H. Sugimura	Non-Independent	–	–	–	–
7	Mr. M. Kurokawa (ceased w.e.f. 27-May-09)	Non-Independent	–	–	–	–

No Severance fee is payable to any of the Executive Directors.

The Company has not issued stock options to any of its Directors.

c) Investors' Grievance Committee

Brief description of terms of reference

As per the clause 49 requirements of Listing Agreement, Investors' Grievance Committee was formed in the Board Meeting held on 23rd January, 2001. The Committee specifically looks into issues relating to investors including share related matters.

Composition of Committee and its meetings

It comprises of 1 Independent Directors and 2 Non-Independent Directors. The composition of the Committee and attendance of each of Committee member was as under:

Sr. No.	Name of member	Status	No. of meetings held	No. of meetings attended
1	Mr. D. J. Thakkar	Chairman	1	1
2	Mr. A. K. Lakhanpal	Member	1	1
3	Mr. S. K. Khurana	Member	1	1

The Company Secretary has been designated as the Compliance Officer and also acts as Secretary to the Committee.

In order to expedite the process of approving the share transfer requests the Board of Directors have delegated the authority to a committee constituted for said purposes. The Committee meets every fortnightly and approves the shares related transactions.

The minutes of the meeting of this Committee are placed before the Board.

The minutes of the meetings of Investors' Grievance Committee are circulated to the members of the Committee and are also placed before the Board.

The details of shareholder queries and requests received and replied during financial year 2009-10 are detailed below:

Sr. No.	Nature of Correspondence	Received (Nos.)	Responded satisfactorily (Nos.)	Pending as on 31-Mar-10 (Nos.)
1	Change of Address	25	25	0
2	Bank Mandate	3	3	0
3	Bank Details (Printing on D/W)	12	12	0
4	ECS	7	7	0
5	Nomination Request	1	1	0
6	Issuance of Duplicate Share Certificates	5	5	0
7	Transfer Requests	24	24	0
8	Transmission Requests	5	5	0
9	Name Deletion	2	2	0
10	Revalidation / Issuance of Duplicate Dividend Warrants	269	269	0
11	Demat Requests/ Remat Requests	108	108	0
12	Complaint from SEBI / Stock Exchange	0	0	0
TOTAL		461	461	0

No investor correspondence remains unattended for more than 30 days.

4. GENERAL BODY MEETING

Particulars of last three AGM's & Special Resolutions passed thereto

Financial Year	Date & Time	Venue	Special Resolutions passed
2006-2007 (35 th AGM)	12 th July, 2007 10:30 AM	Mahatma Gandhi Nagargruh, Vadodara	<ul style="list-style-type: none"> ➤ Approval for appointment of Mr. S. K. Khurana as the Managing Director of the Company w.e.f. 1st Oct., 2006 to 30th Sept., 2011 ➤ Approval for appointment of Mr. A. K. Lakhanpal, Chairman and Whole-time Director of the Company w.e.f. 6th January, 2007 to 5th January, 2012.
2007-2008 (36 th AGM)	18 th July, 2008 10:30 AM	Mahatma Gandhi Nagargruh, Vadodara	<ul style="list-style-type: none"> ➤ Revision in remuneration of Mr. S. K. Khurana as the Managing Director of the Company w.e.f. 1st Oct., 2007 to 30th Sept., 2011 ➤ Revision in remuneration of Mr. A. K. Lakhanpal, Chairman and Whole-time Director of the Company w.e.f. 1st October, 2007 to 5th January, 2012.
2008-2009 (37 th AGM)	23 rd July, 2009 11:00 AM	C.C.Mehta Auditorium, M.S.University, Vadodara	No Special Resolutions were passed at the 37 th AGM.

All the aforesaid resolutions were passed on show of hands and generally all the resolutions are passed on voting by show of hands.

Panasonic Energy India Co. Ltd.

Postal Ballot Resolution

No special resolution requiring postal ballot was passed during the year 2009-10. No special resolution requiring postal ballot is being proposed at the ensuing 38th Annual General Meeting of the Company.

5. DISCLOSURE

- a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

Related party transactions between Company and related parties as per the Accounting Standard 18 (AS 18) "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given at note no. 16 in Schedule no. 19 of Annual Accounts.

Among the Related party transactions entered into by the Company from time to time in which Directors of the Company are interested are entered into the Register of Contracts maintained under section 301 of the Companies Act, 1956 and the Register is placed before the Audit Committee and Board.

In the opinion of the Management there are no related party transactions which are prejudicial to the interests of the Company.

- b) No penalties or strictures have been imposed on the Company by The Bombay Stock Exchange Ltd. (BSE) or SEBI or any other statutory authority on any matter related to capital markets during last three years.
- c) The Company has complied with and adopted the mandatory requirements stipulated under clause 49 of the Listing Agreement. The Company has obtained CEO / CFO Certificate from the Managing Director and the person heading the finance function in terms of the clause 49 of the Listing Agreement entered into with the Stock Exchange.
- d) Non - Mandatory Requirements

The Board may consider adopting the non - mandatory requirements in due course of time. However during the year under review the status of compliance with non - mandatory requirements of Clause 49 are given below:

- i) Remuneration Committee

Details are given under the heading "Remuneration Committee"

- ii) Audit Qualifications

During the year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

6. CODE OF CONDUCT

- a) Code of Conduct for Directors and Senior Management Personnel

The Company has laid down the Rules for Code of Conduct for the members of the Board and Senior Management personnel of the Company. The Code of Conduct has also been posted on Company's website (www.panasonicenergy.in). In compliance with this Code, the Board members and Senior Management personnel have affirmed their compliance with the Code for the year ended on 31st March, 2010. A declaration to this effect duly signed by the Managing Director forms part of this Annual Report.

- b) Code of Conduct for Prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted a Code of Conduct for Prevention of Insider Trading w.e.f. 29th January, 2003.

The Company Secretary acts as the Compliance Officer. This Code is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

7. MEANS OF COMMUNICATIONS

- a) Quarterly, Half yearly and Annual Audited results have been submitted to BSE as well as published in dailies having wide coverage such as Economic Times (Ahmedabad edition English & Vernacular Language).
- b) The results are also uploaded on the Company's website www.panasonicenergy.in
- c) Management Discussion & Analysis forms part of the Annual Report which is posted to the shareholders of the Company.

8. PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING 38TH ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors who retire by rotation and seek re-appointment

Name of the Director	Mr. H. Aota	Mr. H. Sugimura
Date of Birth	13 th December, 1960	2 nd July, 1957
Education Qualification	Graduate in Economics from Kwansei Gakuin University of Japan	Graduate in Management Studies from Yamaguchi University of Japan
Specific functional Area	Company Executive	Company Executive
Brief Resume of Director	He is a nominee director of Panasonic Corporation, Japan. He has been associated with Panasonic Corporation in various capacities since 1983. Presently he is in charge of dry battery business worldwide and is the Director - Dry Battery Business Unit, Energy Company of Panasonic Corporation. He has been on the Board of our Company w.e.f. 27 th May, 2009. He is also on the Board of various other companies.	He is a nominee director of Panasonic Corporation, Japan. He has been associated with Panasonic Corporation in various capacities since 1981. Presently he is based at Singapore and is the Director, Regional Planning and Affairs Group at Panasonic Asia Pacific Pte. Ltd. He has been on the Board of our Company w.e.f. 15 th December, 2008. He is also on the Board of various other companies.
Other Directorships held	<u>Public companies</u> Panasonic Carbon India Co. Ltd. Nippo Batteries Co. Ltd. <u>Foreign companies</u> Panasonic Energy Belgium N.V. Panasonic Energy Poland S.A. Panasonic Energy Tanzania Co. Ltd. P.T. Panasonic Gobal Energy Indonesia Panasonic Energy Taiwan Co. Ltd. Panasonic Energy (Shanghai) Co.Ltd. Panasonic Carbon (Anyang) Co. Ltd.	<u>Public companies</u> Nippo Batteries Co. Ltd. Panasonic AVC Networks India Co. Ltd. <u>Foreign companies</u> Panasonic Industrial Asia Pte. Ltd. Panasonic Asia Pacific Pte. Ltd. Panasonic Industrial Co. Malaysia Sdn Bhd. PT Panasonic Manufacturing Indonesia Panasonic (Thailand) Co. Ltd. PT Panasonic Gobel Energy Indonesia
Other Committees of Directors were memberships held	None	None

9. GENERAL SHAREHOLDER INFORMATION

a) 38th Annual General Meeting

Day, date and time	Friday, 23 rd July, 2010 at 11.00 A.M
Venue	C. C. Mehta Auditorium, M.S. University, Sayajigunj, Vadodara 390 005.

b) Financial Calendar

For the financial year 2010-11, financial results will be announced as per the following tentative schedule:

1 st quarter ended on 30 th June, 2010	Third week of July, 2010
2 nd quarter ended on 30 th September, 2010	Third week of October, 2010
3 rd quarter ended on 31 st December, 2010	Third week of January, 2011
Audited financial results for the year ended on 31 st March, 2011	Third week of May, 2011

Panasonic Energy India Co. Ltd.

c) Date of Books Closure

The Company's Register of Members and Share Transfer Books will remain closed from Saturday, 10th July, 2010 to Friday, 23rd July, 2010 (both days inclusive).

d) Dividend payment date

The dividend for the financial year 2009-10 shall be declared under agenda No. 2 of the forthcoming 38th Annual General Meeting scheduled on Friday, 23rd July, 2010 and shall be paid within the time limit prescribed under the Companies Act, 1956.

e) Listing on Stock Exchange

Company's Equity Shares are listed on The Bombay Stock Exchange Ltd. (BSE)

The Company has paid the listing fees for the year 2010 -11 to BSE.

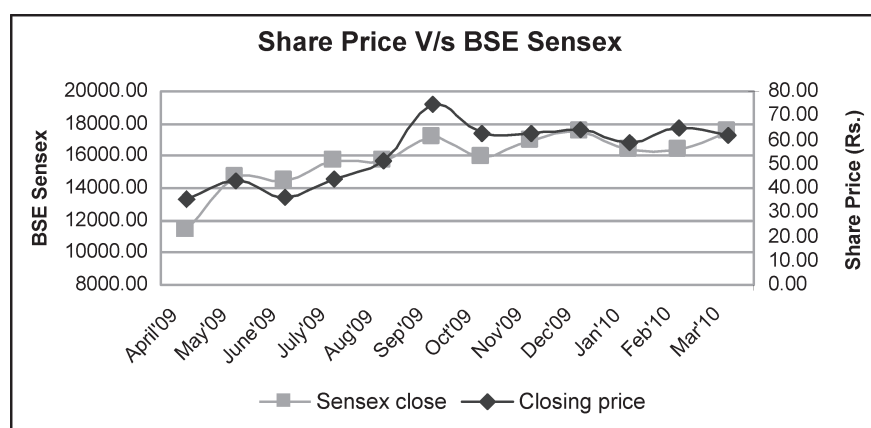
f) Stock Code

The Bombay Stock Exchange Ltd. (BSE)	504093
International Securities Identification No. (ISIN)	INE795A01017

g) Market price data for the year 2009-2010 of the Company on BSE

Month	Months High price	Months low price	Sensex	
			High	Low
April, 2009	39.95	33.20	11492.10	9546.29
May, 2009	46.30	33.45	14930.54	11621.30
June, 2009	45.15	35.15	15600.30	14016.95
July, 2009	46.65	35.00	15732.81	13219.99
August, 2009	53.95	41.00	16002.46	14684.45
September, 2009	84.00	48.00	17142.52	15356.72
October, 2009	75.55	57.60	17493.17	15805.20
November, 2009	64.50	57.10	17290.48	15330.56
December, 2009	67.40	59.70	17530.94	16577.78
January, 2010	71.00	58.15	17790.33	15982.08
February, 2010	70.00	59.65	16669.25	15651.99
March, 2010	72.00	59.75	17793.01	16438.45

h) Company's closing share price movement during the financial year 2009 - 10 on BSE vis-à-vis Sensex



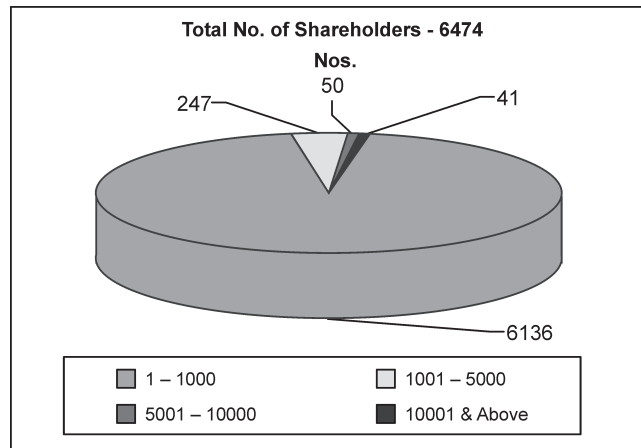
i) Registrar & Transfer Agent

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd. The correspondence address of our RTA has been given elsewhere in the Coprorate Governance Report.

j) Share transfer system

Share transfer request received in physical mode are normally registered within 30 days from the date of receipt and Demat requests are normally confirmed within an average of 15 days from the date of receipt.

k) Distribution of shareholding as on 31st March, 2010



l) Dematerialization of Shares and Liquidity

At the end of the year 2752047 shares were held in dematerialized form which comes to 36.69% of total capital. Trading in equity shares is permitted only in dematerialized form from 28th August, 2000 as per notification issued by Securities & Exchange Board of India. The Company has Demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

m) Compliance officer

Ms. Nisha Hindocha, Company Secretary is the Compliance Officer of the Company. Contact details have been given elsewhere in this report.

n) Plant locations

Location	Address
Gujarat	G.I.D.C, Makarpura, Vadodara - 390 010, Gujarat - INDIA.
Madhya Pradesh	Plot No. 112, Sector III Pithampur Industrial Area, Dist. Dhar, Madhya Pradesh - INDIA.

o) Address for correspondence

Registered Office	Registrar & Share Transfer Agent
Company Secretary Panasonic Energy India Co. Ltd. G.I.D.C., Makarpura, Vadodara - 390 010, Gujarat - INDIA Tele. : (0265) 264 2661/ 263 8888 Fax : (0265) 263 8890 E-Mail : hindocha.nisha@jp.panasonic.com Website : www.panasonicenergy.in	Link Intime India Pvt. Ltd. 308, 1 st Floor, Jaldhara Complex, Opp. Manisha Society, Old Padra Road, Vadodara - 390 015. Tele. : (0265) 324 9857/ 225 0241 Fax : (0265) 225 0246 E-mail : alpesh.gandhi@linkintime.co.in

p) Information on dividend of past years

Pursuant to section 205A of the Companies Act, 1956 dividend that remained unpaid or unclaimed for the financial year ended on 31st March 2003 will be transferred to "Investor Education & Protection Fund" (IEPF) a fund constituted by the Central Government under section 205C of the Companies Act, 1956.

While the Company has already written to the members about the due dates for transfer to IEPF, attention of the members is again drawn to this matter through this Annual Report.

Year	Rate of Dividend (%)	Last date for claiming
2002-03	30	13 th July, 2010
2003-04	30	13 th July, 2011
2004-05	30	17 th July, 2012
2005-06	15	17 th July, 2013
2006-07	15	11 th July, 2014
2007-08	30	17 th July, 2015
2008-09	10	22 nd July, 2015

For the claims lodged after the last date mentioned above the Company does not take any responsibility for payment, as the amount lying unpaid and unclaimed shall be transferred to IEPF.

q) Other facilities of interest to shareholders holding shares in physical form

(i) Nomination facility

Shareholders who wish to make / change the nomination in respect of their shares as permitted under section 109A of the Companies Act, 1956, may submit to the Company / Registrar & Share Transfer Agent, the prescribed form 2B. Form 2B can be downloaded from the Company's website at www.panasonicenergy.in

(ii) Bank details

Shareholders are requested to notify / send the following details to the Company / RTA to facilitate better services:

- a) Any change in their address; and
- b) Bank Account Details or any change thereto.

Shareholders are advised that correct bank details and address be furnished by them to the Company as it would be printed on their dividend warrants as a measure of protection against fraudulent encashment.

(iii) ECS facility

Shareholders who are desirous of receiving dividends by way of direct credit to their bank account through ECS may authorize the Company by way of their ECS mandate. The shareholders desirous to obtain ECS mandate form may download it from the website of the Company at www.panasonicenergy.in or may write to the Company Secretary at the Registered Office of the Company.

(iv) PAN card

Pursuant to SEBI circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/ transmission of name/ transposition of name.

r) Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

CERTIFICATE

This is to certify that the Company has laid down the rules for code of conduct for the members of the Board and Senior Management, as per the Clause 49 of the Listing Agreement.

I hereby further certify that the Company has obtained certificate for compliance of rules of code of conduct, from the Board Members and Senior Management personnel for the financial year ended on 31st March, 2010.

For Panasonic Energy India Co. Ltd.

**S.K.Khurana
Managing Director**

Vadodara, 28th April, 2010

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To
The Members of Panasonic Energy India Co. Ltd.**

We have examined the compliance of conditions of Corporate Governance by Panasonic Energy India Co. Ltd., for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expressions of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vijay Bhatt & Co.
Company Secretaries**

**V. J. Bhatt
Proprietor
CP:2265**

Vadodara, 19th May, 2010

Panasonic Energy India Co. Ltd.

TO THE MEMBERS OF PANASONIC ENERGY INDIA COMPANY LIMITED

1. We have audited the attached Balance Sheet of Panasonic Energy India Company Limited as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of the books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with Accounting Standard referred to in section 211(3C) of the Companies Act, 1956, to the extent applicable;
 - e. on the basis of the written representations received from the directors of the Company, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, the state of affairs of the company as at 31st March, 2010;
 - ii. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533

Vadodara, 19th May, 2010

(ANNEXURE TO THE AUDITORS' REPORT)

(referred to in paragraph (3) thereof)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of fixed assets which, in our opinion is reasonable. The assets which were to be covered as per the said program have been physically verified by the management during the year. According to the information and explanations give to us, no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of a substantial part of its fixed assets during the year and therefore, do not affect the going concern assumption.
- ii. (a) During the year, the inventories have been physically verified by the management except for inventory lying with third parties where confirmations have been received in most of the cases. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- iii. According to the information and explanations given to us, the company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
- v. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits during the year from the public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under and therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 in respect of material, labour & other items of cost and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

Panasonic Energy India Co. Ltd.

- ix. (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, and the records of the company examined by us, the particulars of income tax, excise, sales tax and service tax as at 31st March, 2010 which have not been deposited on account of dispute pending are as under:

Nature of dues	Amount (in Rs.'000)	Period to which the amount relates	Forum where pending
Service Tax	4,989	2004-2005	Assessing Authorities and First Appellate Authority
Income tax	546	2004-2005	CIT Appeals
	9,643	1999-2000	
	9,489	1998-1999	
	4,245	1995-1996	
Central Excise	8,581	2002-2003	First Appellate Authority Central Excise and Service Tax Appellate Tribunal
		2003-2004	
Sales Tax	5,363	2003-2004 to 2006-2007	Commissioner of Sales Tax (Appeals) and Dy. Commissioner of Commercial Tax, Cochin and Vadodara

- x. In our opinion and according to information and explanations given to us, the company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit. However, the company incurred cash losses immediately in the preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from financial institutions or by way of debentures.
- xii. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore, the provisions of clause (xii) of the Order are not applicable to the Company
- xiii. In our opinion and according to information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund society and therefore, the provisions of clause (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments and therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions and therefore, the provisions of clause (xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the company did not have any term loans outstanding during the year and therefore, the provisions of clause (xvi) of the Order are not applicable to the Company.

- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short term basis have not been used for long term investment.
- xviii. The company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Companies Act, 1956 and therefore, the provisions of clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us, during the period of audit the Company has not issued any secured debentures and therefore, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The company has not raised any money by public issues during the year and therefore, the provisions of clause (xx) of the Order are not applicable to the Company.
- xxi. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For K. C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W**

**Vishal P. Doshi
Partner
Membership No. 101533**

Vadodara, 19th May, 2010

Panasonic Energy India Co. Ltd.

	Schedule No.	As at 31 st March, 2010 (Rupees '000)		As at 31 st March, 2009 (Rupees '000)	
SOURCES OF FUNDS					
Shareholders' Fund					
Share Capital	1	75,000		75,000	
Reserves and Surplus	2	565,411	640,411	510,928	585,928
Loan Funds					
Secured Loans	3		4,192		11,791
Deferred Tax Liability (Net)			17,686		27,394
			662,289		625,113
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	4	1,080,215		1,081,325	
Less: Depreciation		837,652		808,726	
Net Block		242,563		272,599	
Capital Work-in-Progress		5,709	248,272	3,218	275,817
Investments	5		5,004		10,004
Current Assets, Loans and Advances					
(a) Interest Accrued on Investment		211		407	
(b) Inventories	6	167,210		187,633	
(c) Sundry debtors	7	140,767		146,938	
(d) Cash & Bank Balances	8	224,774		102,703	
(e) Loans & Advances	9	152,682	685,644	137,532	575,213
Less: Current Liabilities and Provisions					
(a) Current Liabilities	10	197,115		204,997	
(b) Provisions	11	79,516	276,631	69,291	274,288
Net Current Assets			409,013		300,925
Miscellaneous Expenditure (to the extent not written off or adjusted)					
Voluntary Retirement Benefits			—		38,367
			662,289		625,113
Significant Accounting Policies and Notes on Accounts	19				

As per our report of even date attached.

For K.C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara, 19th May, 2010

For and on behalf of the Board of Directors

Ajai K. Lakhanpal
Chairman

S. K. Khurana
Managing Director

Nisha Hindocha
Company Secretary
Mumbai, 19th May, 2010

	Schedule No.	For the year ended 31 st March, 2010 (Rupees '000)		For the year ended 31 st March, 2009 (Rupees '000)	
INCOME					
Sales		1,864,514		1,770,404	
Less: Excise duty		175,362		240,622	
Net sales		1,689,152		1,529,782	
Other Income	12	14,512	1,703,664	38,475	1,568,257
Increase/(Decrease) in stock	13		(145)		(7,464)
			1,703,519		1,560,793
EXPENDITURE					
Raw Materials and Stores Consumed	14	989,946		1,026,123	
Cost of Finished Goods Purchased		37,059		34,600	
Manufacturing and Other Expenses	15	366,812		366,557	
Employee Costs	16	212,300		201,011	
Interest & other financial charges	17	648		1,881	
Depreciation	4	34,457	1,641,222	36,570	1,666,742
Profit /(Loss) before Taxation and Prior period Adjustments			62,297		(105,949)
Prior Period Adjustments (Net)	18		30		585
Profit /(Loss) before Tax			62,267		(106,534)
Provision for					
a) Current Tax			4,463		-
b) Deferred Tax			(9,707)		(11,530)
c) Fringe Benefit Tax			-		1,600
d) MAT credit receivable			(4,367)		-
Profit / (Loss) after Tax			71,878		(96,604)
Add: Tax adjustment of earlier years			(96)		-
Profit / (Loss) after Tax			71,974		(96,604)
Add: Amount withdrawn from General Reserve			-		104,300
Add: Profit brought forward from last year			124		1,203
Profit/(Loss) available for Appropriation			72,098		8,899
APPROPRIATIONS					
Proposed Dividend		15,000		7,500	
Corporate Tax on Proposed Dividend		2,491		1,275	
General Reserve No.1 (Statutory)		5,400		-	
General Reserve No.2		39,207	62,098	-	8,775
Balance carried to Balance Sheet			10,000		124
			72,098		8,899
Earning per share - Basic & Diluted (in Rs.)			9.60		(12.88)
Face value per share (in Rs.)			10.00		10.00
Significant Accounting Policies and Notes on Accounts	19				

As per our report of even date attached.

For K.C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara, 19th May, 2010

For and on behalf of the Board of Directors

Ajai K. Lakhanpal **S. K. Khurana**
Chairman **Managing Director**

Nisha Hindocha
Company Secretary
Mumbai, 19th May, 2010

Panasonic Energy India Co. Ltd.

Particulars	2009-10 (Rupees '000s)	2008-09 (Rupees '000s)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax (after prior period adjustments)	62,267	(106,534)
Adjustments for:		
Prior period adjustment	(7)	-
Depreciation	34,457	36,570
Increase in VRS Expenditure	38,367	35,229
Dividend received	-	(227)
Interest received	(8,093)	(6,225)
Interest paid	33	815
Profit on sale of Fixed Assets	(504)	(1,295)
Loss on sale of Fixed assets	150	98
Profit on sale of Investment	-	(23,119)
Operating Profit before Working Capital Changes	126,670	(64,688)
Adjustments for:		
Trade & Other receivables	6,171	(100,569)
Inventories	20,422	73,563
Loans, Advances & Others	(2,913)	15,035
Interest accrued	197	(154)
Trade Payables & Others	(7,881)	42,162
Provisions	1,507	6,218
Cash Generated from Operations	144,173	(28,433)
Direct Taxes Paid / tax deducted at source	(12,237)	(18,120)
Wealth tax paid relating to previous year	-	(64)
Net cash from Operating Activities (A)	131,936	(46,617)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets and Investment in CWIP	(7,885)	(2,620)
Sale of Fixed Assets	1,334	2,793
Interest Received	8,093	6,225
Dividend received	-	227
Net Proceeds from sale of shares	-	26,294
Proceeds from maturity of Bonds	5,000	-
Cash Flow from Investing Activities (B)	6,542	32,919
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Sales Tax Deferred Loan	(7,599)	(9,755)
Dividend Paid (incl. Corporate Dividend Tax)	(8,775)	(26,324)
Interest Paid	(33)	(815)
Cash Flow from Financing Activities (C)	(16,407)	(36,894)
Net Increase/ (Decrease) in Cash and Cash Equivalents	122,071	(50,592)
Opening Cash and Cash Equivalents	102,703	153,295
Closing Cash and Cash Equivalents	224,774	102,703

Notes:

- Cash and Cash equivalents comprise of:

Cash on Hand	21,292	35,457
Balance with Scheduled Banks in current accounts	41,736	28,441
Fixed Deposits/Margin Money	161,746	38,805
Closing Cash and Cash Equivalents	224,774	102,703
- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS 3) (Cash Flow Statement).
- Previous year figures have been regrouped wherever necessary.

As per our report of even date attached.

For K.C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara, 19th May, 2010

For and on behalf of the Board of Directors

Ajai K. Lakhanpal
Chairman

S. K. Khurana
Managing Director

Nisha Hindocha
Company Secretary
Mumbai, 19th May, 2010

	As at 31 st March, 2010 (Rupees '000s)	As at 31 st March, 2009 (Rupees '000s)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs.10/- each	100,000	100,000
ISSUED, SUBSCRIBED AND PAID UP		
7500000 equity shares of Rs.10/- each fully paid.	75,000	75,000
Of the above		
a) 25000 equity shares of Rs. 10/- each allotted as fully paid up pursuant to a contract without payment being received in cash.		
b) 1125000 equity shares of Rs.10/- each allotted as fully paid up by way of bonus shares by capitalisation of General Reserve.		
Total	75,000	75,000
SCHEDULE 2		
RESERVES AND SURPLUS		
1. a) CAPITAL RESERVE	1,288	1,288
b) CAPITAL STATE SUBSIDY RESERVE	2,500	2,500
2. SECURITIES PREMIUM ACCOUNT	92,812	92,812
3. INVESTMENT ALLOWANCE RESERVE (UTILISED)		
As per last Balance Sheet	6,016	6,016
Less: Transferred to General Reserve No.2	6,016	-
	-	6,016
4. GENERAL RESERVE NO.1 (Statutory)		
As per last Balance Sheet	102,170	102,170
Add: Transfer from Profit & Loss Account	5,400	-
	107,570	102,170
5. GENERAL RESERVE NO.2		
As per last Balance Sheet	306,018	410,318
Add: Transfer from Investment Allowance Reserve (Utilised)	6,016	-
Add: Transfer from Profit & Loss Account	39,207	-
	351,241	410,318
Less: Transfer to Profit & Loss Account	-	104,300
	351,241	306,018
6. PROFIT AND LOSS ACCOUNT	10,000	124
Total	565,411	510,928
SCHEDULE 3		
SECURED LOANS		
a) FROM BANKS	-	-
b) FROM OTHERS		
Interest free sales tax loan from MPSIDC refundable in annual installments	4,192	11,791
Total	4,192	11,791

Note:

- i) Loans under "A" are against joint hypothecation of plant & machinery, current assets and by way of mortgage of immovable properties of Vadodara Unit and second charge on immovable properties, plant & machineries and current assets of Pithampur unit in favour of State Bank of India and Bank of Tokyo-Mitsubishi UFJ Ltd.
- ii) Loan under "B" is secured by mortgage by way of First charge on all present & future immovable properties and charge on plant & machineries of Pithampur unit.

Panasonic Energy India Co. Ltd.

SCHEDULE 4 FIXED ASSETS

(Rupees '000s)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Cost as at 01-04-2009	Additions/ Transfers During the year	Sales/ Deductions/ Transfers During the year	Cost as at 31-03-2010	Amount as at 01.04.2009	Depreciation for the year	Adjustment during the year	Depreciation up to 31-3-2010	As at 31-03-2010	As at 31-03-2009
TANGIBLE ASSETS										
Freehold land	-	-	-	-	-	-	-	-	-	-
Building*	93,041	-	-	93,041	52,953	2,581	-	55,534	37,507	40,088
Leasehold land	3,830	-	-	3,830	798	41	-	839	2,991	3,032
Plant & Machinery	822,575	2,535	70	825,040	639,625	22,070	66	661,629	163,411	182,950
Dies	13,380	1,128	-	14,508	12,533	323	-	12,856	1,652	847
Electric Installation	12,181	1	-	12,182	10,261	427	-	10,688	1,494	1,920
Computers	20,077	529	518	20,088	18,206	722	492	18,436	1,652	1,871
Airconditioners & Refrigerators	4,005	58	-	4,063	3,116	103	-	3,219	844	889
Furniture & Fixtures	16,327	9	-	16,336	14,282	331	7	14,606	1,730	2,045
Office Equipments & Other Equipments	10,062	304	141	10,225	7,307	380	105	7,582	2,643	2,755
Vehicles & Delivery Equipments	22,722	830	5,775	17,777	18,739	1,109	4,861	14,987	2,790	3,983
INTANGIBLE ASSETS										
Know - how	59,000	-	-	59,000	29,743	5,851	-	35,594	23,406	29,257
Software	4,125	-	-	4,125	1,163	519	-	1,682	2,443	2,962
TOTAL	1,081,325	5,394	6,504	1,080,215	808,726	34,457	5,531	837,652	242,563	272,599
Previous Year	1,079,024	10,327	8,026	1,081,325	778,586	36,570	6,430	808,726		272,599
Capital Work-in-Progress									5,709	3,218
Total									248,272	275,817

*Cost of Buildings include cost of shares in co-operative societies of Rs.1,065 thousands including 5 shares of Rs. 50/- each.

	As at 31 st March, 2010 (Rupees '000s)	As at 31 st March, 2009 (Rupees '000s)
SCHEDULE 5		
INVESTMENTS (At Cost)		
LONG TERM - UNQUOTED		
NSC deposited with Govt. Authorities	4	4
Bonds - REC 500 units (Previous year 1000 units) of Rs.10000/- each fully paid	5,000	10,000
Total	<u>5,004</u>	<u>10,004</u>
SCHEDULE 6		
INVENTORY (As taken, valued and certified by management)		
a) Raw Materials (Including in Transit)	71,688	91,558
b) Work-in-Process	10,672	13,331
c) Finished Goods	71,698	69,184
d) Stores, Spares & Tools	13,152	13,560
Total	<u>167,210</u>	<u>187,633</u>

	As at 31 st March, 2010 (Rupees '000s)	As at 31 st March, 2009 (Rupees '000s)
SCHEDULE 7		
SUNDRY DEBTORS		
(Unsecured-considered good unless otherwise stated)		
a) Over six months	4,759	6,758
b) Other debts	136,008	140,180
Total	140,767	146,938
SCHEDULE 8		
CASH & BANK BALANCES		
a) Cash / Cheques in hand	595	14,321
b) Remittance in transit	20,697	21,136
c) Balance with Scheduled Banks		
i) In Current Accounts	41,736	28,441
ii) In Deposit account/Margin Money (Including Fixed Deposits of Rs. 7,246 thousands pledged with Govt/Local Authorities (previous year Rs. 7,105 thousands))	161,746	38,805
Total	224,774	102,703
SCHEDULE 9		
OTHER CURRENT ASSETS LOANS AND ADVANCES		
(Unsecured-considered good unless otherwise stated)		
a) Advances recoverable in cash or in kind or for value to be received	12,685	8,062
b) Prepaid Expenses	2,042	1,381
c) Balance With Central Excise, Customs etc.	8,125	9,110
d) Deposits	6,488	8,324
e) Due from Staff*	2,513	2,062
f) Advance Tax (Net of provision)	120,829	108,593
Total	152,682	137,532
* Due from Officers Rs. 833 thousands (previous year Rs. 538 thousands), Maximum debit balance during the year Rs.1,458 thousands (previous year Rs. 575 thousands)		
SCHEDULE 10		
CURRENT LIABILITIES		
Creditors: dues to micro and small enterprise	2,629	2,729
Dues to other	37,023	66,181
Due to Directors	-	228
Security Deposits	2,303	584
Dividends uncashed #	1,398	1,526
Uncash Interest From Deposits #	17	81
Advance From Customers	2,331	2,426
Other Current Liabilities	151,414	131,242
Total	197,115	204,997
# No amount is due for payment to Investor Education & Protection Fund.		
SCHEDULE 11		
PROVISIONS		
Proposed Dividend	15,000	7,500
Corporate Tax on Proposed Dividend	2,491	1,274
Provisions for Employee Benefit Schemes	62,025	60,517
Total	79,516	69,291

Panasonic Energy India Co. Ltd.

	For the year ended 31 st March, 2010 (Rupees '000s)		For the year ended 31 st March, 2009 (Rupees '000s)	
SCHEDULE 12				
OTHER INCOME				
Dividend on Investment		–		227
Other Interest (Gross) (TDS Rs. 530 thousands (Previous Year Rs. 470 thousands))		8,093		6,225
Miscellaneous Income		887		430
Miscellaneous Sales		2,821		3,014
Claim Received		1,700		2,118
Discount Received		58		31
Profit on Sale of Fixed Assets		504		1,295
Profit on Sale of Investment		–		23,119
Difference in Exchange (Net)		–		1,476
Unclaimed Credit Written Back		449		540
Total		14,512		38,475
SCHEDULE 13				
INCREASE/(DECREASE) IN STOCK				
OPENING STOCK				
Work-in-Process		13,331		1,632
Finished Goods		69,184	82,515	88,347
				89,979
Less: CLOSING STOCK				
Work-in-Process		10,672		13,331
Finished Goods		71,698	82,370	69,184
				82,515
Total		(145)		(7,464)
SCHEDULE 14				
RAW MATERIALS & STORES CONSUMED (Including material-in-transit)				
a) RAW MATERIALS				
Opening stock		91,558		155,341
Add: Purchases		960,338		951,742
Less: Closing Stock		71,688	980,208	91,558
				1,015,525
b) CONSUMABLE STORES & TOOLS				
Opening stock		13,560		15,876
Add: Purchases		9,330		8,282
Less: Closing Stock		13,152	9,738	13,560
				10,598
Total		989,946		1,026,123
SCHEDULE 15				
MANUFACTURING & OTHER EXPENSES				
Export Expenses		274		199
Water, Gas, Heavy Oil & Electricity		28,961		28,291
Octroi Duty		2,923		2,672
Transportation		45,295		41,782
Repairs to Machinery		5,071		4,184
General Repairs		1,305		1,259
Repairs to Building		551		1,076
Rent		4,544		4,176
Rates & Taxes		4,911		4,626
Travelling Expenses & Conveyance Expenses		52,165		55,194

**For the year ended
31st March, 2010
(Rupees '000s)**
**For the year ended
31st March, 2009
(Rupees '000s)**
SCHEDULE 15 (Contd...)

Advertisement & Sales Promotion Expenses	130,509	136,809
Post, Telegrams & Telephone Expenses	5,043	5,673
Printing & Stationery	1,862	2,334
Insurance	1,944	2,190
Miscellaneous Expenses	3,257	2,747
Miscellaneous balances Written off	1,430	1
Royalty & Brand fees	55,375	50,981
Meeting & conference Expenses	1,748	2,314
Legal & Professional Fees	9,552	10,820
Motor Car Expenses	1,105	1,593
Cleaning Expenses	1,913	1,663
Gardening Expenses	972	875
Licence and Registration	265	538
Software Expenses	156	326
Audit Fee	255	239
Sales Tax	4,198	3,069
R & D Expenses	498	514
Loss on Sale of Fixed Assets	150	98
Donations	25	4
Difference in Exchange (Net)	295	-
Directors' Sitting Fee	260	310
Total	366,812	366,557

**SCHEDULE 16
EMPLOYEE COSTS**

Salaries, wages and bonus, etc.	136,174	126,365
Contribution to provident fund, ESI, Gratuity, etc.	13,649	15,922
Welfare and H.R.D expenses	24,110	23,495
Voluntary Retirement Benefits	38,367	35,229
Total	212,300	201,011

**SCHEDULE 17
INTEREST & OTHER FINANCIAL CHARGES**

To Banks	633	1,200
To Others	15	681
Total	648	1,881

**SCHEDULE 18
PREVIOUS YEAR EXPENSES**

Prior Period Expenses		
Rent	-	583
Repairs	37	5
		588
Prior Period Income		
Depreciation	7	-
Others	-	3
		3
Total	30	585

SCHEDULE 19

1. Basis of preparation of financial statements

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards.

2. Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the same are known/materialized.

3. Revenue recognition

Sales are recognized on invoicing of goods.

Other income is recognized only when it is reasonably certain that the ultimate collection will be made.

Insurance claims lodged with the insurance company in respect of risks covered are accounted for as and when admitted by the insurance company.

Interest income is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend incomes on Investments are accounted for when the right to receive the payment is established.

4. Fixed assets

Fixed Assets are stated at cost, net of CENVAT / VAT credit, if any, after reducing accumulated depreciation until the date of Balance Sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work-in-progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the Balance Sheet date.

5. Intangible assets

Intangible Assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

6. Depreciation

Depreciation on tangible assets has been provided as under:

Vadodara unit

Cost of leasehold land is amortized over the period of lease.

On assets purchased prior to 1st January, 1987 on written down value method at the rates specified under the Income Tax Rules and on assets purchased subsequent to 1st January, 1987 on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956, on pro-rata basis.

Pithampur unit

Cost of leasehold land is amortised over the period of lease.

Depreciation is provided on straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956, on pro-rata basis, and in case of capitalization of exchange fluctuations, over the remaining life of such assets.

7. Investments

Investments meant for long term are carried at cost together with all incidental cost of acquisition. However, when there is decline, other than temporary in the value of a long term investments, the carrying amount is reduced to recognize the decline.

8. Valuation of inventories

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows -

Raw Materials	First-In-First-Out basis.
Material & Consumables in Transit	At invoice price.
Work-in-process	At raw material cost plus conversion cost, wherever applicable.
Finished Goods	Cost represents material, labour and manufacturing expenses and other incidental costs to bring the inventory in present location and condition.
Consumable Stores, Spares and Tools	First-In-First-Out basis.

9. Foreign currency transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. At the year end, all the monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences resulting from the translation of such monetary assets and liabilities and also the exchange differences on settlement of foreign currency transactions are recognized in the Profit and Loss Account.

10. Research and development

Expenditure on the design and production of prototypes relating to research & development has been charged to Profit and Loss Account. Capital expenditure relating to research & development is treated as fixed assets.

11. Employee benefits

a) Post-employment benefits

i) Defined contribution plan

Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Profit and Loss Account.

ii) Defined benefit plan

Company's liabilities towards defined benefit schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the Balance Sheet date. Actuarial gains and losses are recognized in the Profit and Loss account in the period of occurrence of such gains and losses. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

b) Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services. These benefits include special allowance.

Panasonic Energy India Co. Ltd.

c) Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as an actuarially determined liability at present value of the defined benefit obligation at the Balance Sheet date.

The company has deferred the expenses of Voluntary Retirement Benefits over its payback period but not beyond 31st March, 2010.

12. Taxation

Provision for Income Tax is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences being differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets are recognized only if there is a reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

13. Provisions & contingent liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

14. Government grant

State subsidy received from Madhya Pradesh State Industrial Development Corporation for setting up unit in the specified backward area has been credited to Capital State Subsidy Reserve Account.

15. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

16. Leases

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the Profit and Loss Account on accrual basis.

	As on 31 st March, 2010 (Rupees '000s)	As on 31 st March, 2009 (Rupees '000s)
1. Contingent liabilities not provided for		
Claims against the Company not acknowledged as debts		
(1) Disputed Excise / Customs / Service Tax pending before Assessing / Appellate Authorities.	5,033	7,211
(2) Bonds	-	20,909
(3) Bank Guarantees	22,695	23,751
(4) Income Tax	136,700	127,455
(5) Sales Tax / VAT	8,077	12,167
(6) Others	4,740	4,463
2. Computation of Net Profit/(Loss) in accordance with the provisions of Section 349 of the Companies Act, 1956.		
Profit/(Loss) (before Taxation) as per Profit and Loss Account.	62,267	(106,534)
Add:		
(a) Depreciation charged in Accounts	34,416	36,529
(b) Managerial Remuneration	8,017	8,142
(c) Arrears to Executive Directors	-	1,553
(d) Loss on sale of Fixed Assets as per books	150	98
(e) Profit on sale of Fixed Assets as per section 350	504	1,295
	105,354	(58,917)
Less:		
(a) Profit on sale of Fixed Assets as per Books	504	24,414
(b) Depreciation as per section 350 of the Companies Act, 1956	34,416	36,529
(c) Loss on sale of Fixed Assets as per Section 350 of the Companies Act, 1956	150	98
(d) Excess of Expenditure over Income for 2007-08	-	2,125
(e) Excess of Expenditure over Income for 2008-09	(122,083)	-
Net Profit/(Loss) pursuant to section 349 for the purpose of Directors' commission	(51,799)	(122,083)
Directors' Commission thereon:		
(1) 1% of Net Profit each to Chairman as well as Managing Director.	-	-
(2) Other Non-Executive Directors - 1% of Net Profit	-	-
3. Directors' Remuneration under section 198 of the Companies Act, 1956		
(i) Salaries	4,560	4,560
(ii) Arrears to Executive Directors	-	1,553
(iii) Contribution to Provident Fund & other funds	729	826
(iv) Perquisites & benefits	2,468	2,446
(v) Directors' sitting fees	260	310
Total	8,017	9,695

The provision for gratuity is made on the basis of actuarial valuation for all the employees of the Company, including for the managerial personnel. Proportionate amount of gratuity is not included in the above disclosure, since the exact amount is not ascertainable.

Panasonic Energy India Co. Ltd.

	As on 31 st March, 2010 (Rupees '000s)	As on 31 st March, 2009 (Rupees '000s)
4. DEFERRED TAXES		
The major components of Deferred Tax Liabilities and Deferred Tax Assets are set out below:		
Deferred Tax Liability/(Asset)		
(i) On account of timing differences relating to depreciation	43,575	49,035
(ii) Unpaid liability allowable on payment basis under Section 43B of Income Tax act,1961	3,071	4,590
(iii) Others	<u>(28,960)</u>	<u>(26,231)</u>
Total	<u><u>17,686</u></u>	<u><u>27,394</u></u>

5. POST EMPLOYMENT BENEFITS

(i) Defined contribution plans

The Company makes contributions towards Provident Fund and Superannuation Fund to defined contribution retirement benefit plan for qualifying employees. The Superannuation Fund is administered by the Trust owned and managed by the company. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Provident Fund plan is operated by the "Panasonic Energy India Company Limited Employees Provident Fund Trust" (the "Trust"). Eligible employees receive benefits from the said Provident Fund Trust which is a defined contribution plan. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government. The Company has an obligation to make good the short fall, if any, between the return from the investments of the Trust and the notified interest rate.

The Company recognized Rs.8,391 thousands (previous year Rs.8,112 thousands) for Provident Fund contributions and Rs. 405 thousands (previous year Rs. 500 thousands) for Superannuation contribution in the Profit and Loss Account.

(ii) Defined benefit plan

The Company makes annual contributions to the Employees' Gratuity Fund Scheme and Leave Encashment Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

l) Reconciliation in Present value of obligations (PVO) defined benefit obligation

Particulars	Gratuity (Funded)		
	As on 31-3-2010 (Rupees '000s)	As on 31-3-2009 (Rupees '000s)	As on 31-3-2008 (Rupees '000s)
Current Service Cost	2,727	2,597	2,550
Interest Cost	4,017	3,723	4,141
Actuarial (gain)/loss	(2,557)	498	6,474
Benefits paid	(1,144)	(2,893)	(2,341)
Past Service Cost	Nil	Nil	Nil
PVO at the beginning of the year	53,566	49,641	51,765
Present Value of Defined Benefit obligation at year end	56,610	53,567	49,641

II) Change in fair value of plan assets

Particulars	Gratuity (Funded)		
	As on 31-3-2010 (Rupees '000s)	As on 31-3-2009 (Rupees '000s)	As on 31-3-2008 (Rupees '000s)
Expected return on plan assets	1,107	1,039	977
Actuarial gain/(loss)	(281)	6	102
Contributions by the employer	2,658	2,538	2,000
Benefits paid	(1,143)	(2,893)	(2,341)
Fair value of plan assets at the beginning of the year	13,086	12,397	11,659
Fair value of plan assets at end of year	15,427	13,087	12,397

III) Reconciliation of PVO and fair value of plan assets

PVO at end of period	56,610	53,567	49,641
Fair Value of planned assets at end of year	15,427	13,086	12,397
Liabilities recognized in Balance Sheet	41,183	40,481	37,244

IV) Net cost for the year ended

Current Service Cost	2,727	2,597	2,550
Interest Cost	4,017	3,723	4,141
Expected return on plan assets	(1,107)	(1,039)	(977)
Actuarial (gain)/loss	(2,276)	493	(6,576)
Net cost	3,361	5,774	(862)

V) Category of assets as at the year end % invested

Insurer Managed Funds (100%)	100%	100%	100%
------------------------------	------	------	------

VI) Assumption used in accounting for the gratuity plan

Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	7.50%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.50%	8.50%
Rate of escalation in salary (per annum)	6.50%	6.50%	7.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

Panasonic Energy India Co. Ltd.

6. The operations of the Company are limited to one segment, namely, Dry Cell Batteries.
7. Accounting Standard 19 (AS 19) on Operating Leases

Lease payments are recognized in the Profit and Loss Account as "Rent" under Schedule-15.

8. Research & Development related expenses amounting to Rs. 17,462 thousands (Previous year - Rs. 4,481 thousands) have been debited to respective heads of account. Additions to Fixed Assets include addition to Research & Development department Rs.16 thousands (Previous year - Rs. 962 thousands).
9. Based on the information available with the Company, the balance due to Micro and Small Enterprises, as defined under the "Micro Small and Medium Enterprise Development Act, 2006" is Rs. 2,629 thousands (Previous year - Rs. 2,729 thousands). Payment made to suppliers beyond the due dates during the period was Rs. 4,568 thousands (Previous year - Rs. 8,386 thousands). No interest during the period has been paid to Micro and Small Enterprise on delayed payments. Further interest accrued and remaining unpaid at the year end Rs. 46 thousands (Previous year - Rs. 160 thousands) is not provided in the books as the management is of the opinion that due to contractual terms they will not be required to pay the same.
10. Letter of confirmation to Debtors / Creditors are issued, balances of the Debtors / Creditors are subject to adjustments, if any, on reconciliation / settlement of respective accounts.

11. DETAILS RELATING TO CONSUMPTION OF RAW MATERIALS

Particulars	Unit	2009-2010		2008-2009	
		Quantity ('000)	Value Rupees '000	Quantity ('000)	Value Rupees '000
Zinc	Kg.	2,407	255,973	2,194	360,499
Acetylene Black	Kg.	501	40,915	461	36,958
Printed Metal Sheets	Nos.	1,216	153,039	1,202	148,940
Carbon Rods	Nos.	471,138	79,527	412,048	63,786
Manganese Ore	Kg.	1,528	54,151	1,862	45,482
Others	-	-	396,603	-	359,860
Total		-	980,208	-	1,015,525

12. VALUE OF RAW MATERIALS CONSUMED

	2009-2010		2008-2009	
	% of Total Consumption	Value Rupees '000	% of Total Consumption	Value Rupees '000
1) Raw Materials Consumed				
(a) Imported	24.07	235,913	47.26	479,983
(b) Indigenous	75.93	744,295	52.74	535,542
	100.00	980,208	100.00	1,015,525
2) Value of Stores and Spare parts Consumed				
(a) Imported	1.77	1,72	3.14	332
(b) Indigenous	98.23	9,566	96.86	10,266
	100.00	9,738	100.00	10,598

13. PRODUCTION, SALES & STOCKS OF EACH CLASS OF GOODS

Class of Goods	*Installed capacity Nos. (‘000)	Opening stock as on 1.4.2009 Nos. (‘000)	Production 1.4.2009 to 31.3.2010 Nos. (‘000)	Closing Stock as on 31.3.2010 Nos. (‘000)	2009-2010 Sales	
					@ Quantity Nos. (‘000)	Value Rs. (‘000)
a) Dry Cell Batteries (Nos.)	904,000	13,443	468,528	**15,857	466,114	1,817,460
	(904,000)	(21,697)	(406,692)	** (13,443)	(414,946)	(1,736,040)
Trading Items						
a) Flashlight (Nos.)	-	80	660	**111	629	29,298
	(-)	(34)	(265)	** (80)	(219)	(12,996)
b) Alkaline Rechargeable Lithium Battery	-	478	183	140	521	7,383
	(-)	(-)	(957)	(479)	(478)	(7,381)
c) Dry Cell Batteries (Nos.)	-	6	-	**3	3	6
	(-)	(8)	(0)	** (6)	(2)	(71)
d) Export of Dry Battery Components	-	-	-	-	-	7,077
	(-)	(-)	(-)	(-)	(-)	(9,098)
e) Others	-	-	-	-	-	3,290
	(-)	(-)	(-)	(-)	(-)	(4,819)

(Figures in brackets are in respect of the previous year)

* Installed capacity is as per the certificate from the management and has not been verified by the Auditors, this being a technical matter.

** After deducting quantity of sales schemes/samples/free replacement/damages and shortages during transit.

@ It includes units given in free schemes.

	2009-2010 Rupees '000	2008-2009 Rupees '000
14. (a) Value of imports on CIF basis in respect of:		
i) Raw Materials (including material in transit)	208,836	444,618
ii) Stores & Spare Parts	-	171
iii) Capital Goods	4,788	930
(b) Expenditure in Foreign Currency paid or payable:		
i) Royalty (including Brand Use Fee) for current year (Net of Tax)	49,268	45,253
ii) Foreign Travel	659	833
iii) Foreign Bank charges	26	18
iv) Communication Charges & others	931	849
(c) Earnings in Foreign Currency:		
i) Exports - FOB	10,541	12,733
ii) Freight	408	855
15. Amount remitted during the year in foreign currency on account of dividends in respect of year ended:		
31 st March, 2009	3,825	-
31 st March, 2008	-	11,475
No. of Non-resident Shareholders	*1	3
No. of Equity Shares held	3,825	3,825

*Out of 3 no of non resident share holders all clubbed in to one folio.

Panasonic Energy India Co. Ltd.

16. RELATED PARTY DISCLOSURES AS REQUIRED UNDER AS-18 ARE AS UNDER:

Name of related parties where control exists

2009-2010	2008-2009
(a) Collaborator Panasonic Corporation	(a) Collaborator Panasonic Corporation (Formerly: Matsushita Electric Industrial Co. Ltd. (MEI) & Matsushita Battery Industrial Co. Ltd. (MBI))

Names of other related parties having transactions with the Company during the year

2009-2010	2008-2009
(a) Joint Venture of collaborators Panasonic Carbon India Co. Ltd P.T. Panasonic Gobel Energy Indonesia. Panasonic Asia Pacific Pte. Ltd. Panasonic Energy Tanzania Co. Ltd. Panasonic Energy Thailand Co. Ltd. Panasonic Energy Poland S.A. Panasonic AVC Networks India Co. Ltd. Panasonic Manufacturing Malaysia Berhad	(a) Joint Venture of collaborators Panasonic Carbon India Co. Ltd P.T. Panasonic Gobel Battery Indonesia. P.T. Panasonic Gobel Energy Indonesia. Nippo Batteries Ltd. Panasonic Asia Pacific Pte. Ltd. Panasonic Battery Tanzania Co. Ltd. Panasonic Energy Tanzania Co. Ltd. Panasonic Battery Thailand Co. Ltd. Panasonic Energy Poland S.A. Panasonic AVC Networks India Co. Ltd.
(b) Whole-time Directors Mr. A. K. Lakhanpal, Chairman Mr. S. K. Khurana, Managing Director	(b) Whole-time Directors Mr. A. K. Lakhanpal, Chairman Mr. S. K. Khurana, Managing Director

Transactions with related parties during the year ended March 31, 2010

	Collaborator (Rupees '000)	Joint Venture of Collaborators (Rupees '000)	Key Management Personnel (Rupees '000)	Total (Rupees '000)
Export of spare parts	983 (1,263)	2,376 (2,375)	- (-)	3,359 (3,638)
Spares/consumables purchased	- (155)	- (-)	- (-)	- (155)
Dividend paid	3,825 (11,475)	- (-)	- (-)	3,825 (11,475)
Royalty (Including Brand use fee)	55,375 (50,981)	- (-)	- (-)	55,375 (50,981)
Communication charges	931 (849)	- (-)	- (-)	931 (849)
Purchase - Carbon rods	- (-)	86,688 (71,039)	- (-)	86,688 (71,039)
Import of machinery	- (-)	4,788 (930)	- (-)	4,788 (930)
Export of raw material	- (-)	7,182 (9,094)	- (-)	7,182 (9,094)
Import of raw material	- (-)	2,746 (2,680)	- (-)	2,746 (2,680)
Reimbursement of expenses	1,329 (18,914)	- (855)	- (-)	1,329 (19,769)
Import of appliances / parts	1,374 (8,352)	- (-)	- (-)	1,374 (8,352)
Remuneration to Whole-time Directors (including commission, if applicable)	- (-)	- (-)	7,757 (9,385)	7,757 (9,385)

Balance outstanding as at March 31, 2010

	Collaborator (Rupees '000)	Joint Venture of Collaborators (Rupees '000)	Key Management Personnel (Rupees '000)	Total (Rupees '000)
Receivables	132 (12,076)	1,450 (1,365)	- (-)	1,582 (13,441)
Payables	- (-)	2,359 (1,562)	387 (228)	2,746 (1,790)

Note: The figures in the bracket represent previous year's figures.

17. EARNINGS PER SHARE

Earnings Per Share (EPS) calculation (basic and diluted)	Unit	2009-10	2008-09
a) Amount used as the numerator Profit after Taxation	Rs.'000	71,974	(96,604)
b) Weighted average number of equity shares used as the denominator	No.'000	7,500	7,500
c) Nominal value per share	Rs.	10.00	10.00
d) Basic Earning per share	Rs.	9.60	(12.88)

The Company does not have any outstanding dilutive potential equity shares.

18. In the opinion of the management and to the best of their knowledge and belief the value on realization of current assets, loans & advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
19. Exchange Gain/(Loss) of Rs. 1,011 thousands & (Rs.175 thousands) (Previous Year Rs. 9,210 thousands) & (Rs.4 thousands)) arising on account of import and exports transactions have been included under purchase and sales.
20. The Company has obtained certain premises for its business operations (including furniture and fittings, therein as applicable) under operating leases or lives and license agreements. These are generally not non-cancelable and range between 11 months to 9 years under lease and licenses or longer for other lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

Lease payments are recognized in the Profit and Loss Account under "Rent" in Schedule 15.

21. Figures of the previous year have been regrouped/re-cast wherever necessary.

For K.C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533
Vadodara, 19th May, 2010

For and on behalf of the Board of Directors

Ajai K. Lakhanpal **S. K. Khurana**
Chairman **Managing Director**

Nisha Hindocha
Company Secretary
Mumbai, 19th May,2010

Balance Sheet Abstract and Company's General Profile

I. Registration Details

Registration No.	L31400GJ1972PLC002091	State Code	4
Balance Sheet Date	Date 31	Month	03
		Year	2010

II. Capital Raised during the Year (Amount in Rs.Thousand)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	938920	Total Assets	938920
Sources of Funds (Excluding Net Deferred Tax Liabilities Rs.17686)			
Paid-Up Capital	75000	Reserves & Surplus	565411
Secured Loans	4192	Unsecured Loans	-
Application of Funds			
Net Fixed Assets	248272	Investments	5004
Net Current Assets	409013	Misc.Expenditure	-
Accumulated Losses	-		

IV. Performance of Company (Amount in Rs.Thousands)

Turnover (Sales & Other Income)	1703519	Total Expenditure	1641222
Profit/Loss Before Tax	62267	Profit/Loss After Tax	71974
+		+	
Earning Per Share in Rs.	9.60	Dividend Rate(%)	20

V. Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	85061100
Product	DRY BATTERIES
Description	ITEM: MANGANESE DIOXIDE

Panasonic Energy India Co. Ltd.

GIDC, Makarpura, Vadodara - 390 010, Gujarat - INDIA.

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER:			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I hereby record my presence at the 38TH ANNUAL GENERAL MEETING, held at C. C. MEHTA AUDITORIUM, M. S. UNIVERSITY, SAYAJIGUNJ, VADODARA - 390 002 ON FRIDAY, 23RD JULY, 2010 at 11:00 a.m. as a Shareholder/Proxy*.

*NAME OF PROXY IN BLOCK LETTERS

*SIGNATURE OF THE SHAREHOLDER/PROXY

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring duly signed Attendance Slip to the meeting and hand over the same at the entrance.
2. Shareholder/Proxy holder desiring to attend the meeting should carry his copy of the Annual Report for reference at the meeting.

Panasonic Energy India Co. Ltd.

GIDC, Makarpura, Vadodara - 390 010, Gujarat - INDIA.

PROXY

NAME OF THE SHAREHOLDER:			
FOR PHYSICAL HOLDING	FOR ELECTRONIC FORM (DEMAT)		NO. OF SHARES
LF NO.	DP ID	CLIENT ID	

I/We, _____ of _____ being a Member/Members of Panasonic Energy India Co. Ltd. hereby appoint _____ of _____ or failing him _____ of _____ as my/our Proxy to vote for me/us and on my/our behalf at the the 38TH ANNUAL GENERAL MEETING, held at C. C. MEHTA AUDITORIUM, M. S. UNIVERSITY, SAYAJIGUNJ, VADODARA - 390 002 ON FRIDAY, 23RD JULY, 2010 at 11:00 a.m. and at any adjournment thereof.

Signed this day of June / July 2010.

Date of Receipt June / July 2010.

Signature.....

Affix
Re. 1/-
Revenue
Stamp

(For office use only)

N.B. Proxies to be valid must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

Book - Post

eco ideas



To,



If undelivered, Please return to:

Panasonic Energy India Co.Ltd.

G.I.D.C., Makarpura, Vadodara - 390 010, Gujarat-INDIA.



We are doing our bit towards Environment Are YOU ?

The Only battery Company in India Manufacturing 100% Eco-friendly Batteries

